

By: Watson, et al.
(Anchia)

S.B. No. 1315

A BILL TO BE ENTITLED

AN ACT

relating to low income housing tax credits awarded for at-risk
developments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6702(a)(5), Government Code, is
amended to read as follows:

(5) "At-risk development" means:

(A) a development that:

(i) has received the benefit of a subsidy in
the form of a below-market interest rate loan, interest rate
reduction, rental subsidy, Section 8 housing assistance payment,
rental supplement payment, rental assistance payment, or equity
incentive under the following federal laws, as applicable:

(a) Sections 221(d)(3) and (5),
National Housing Act (12 U.S.C. Section 1715l);

(b) Section 236, National Housing Act
(12 U.S.C. Section 1715z-1);

(c) Section 202, Housing Act of 1959
(12 U.S.C. Section 1701q);

(d) Section 101, Housing and Urban
Development Act of 1965 (12 U.S.C. Section 1701s);

(e) the Section 8 Additional
Assistance Program for housing developments with HUD-Insured and
HUD-Held Mortgages administered by the United States Department of

1 Housing and Urban Development as specified by 24 C.F.R. Part 886,
2 Subpart A;

3 (f) the Section 8 Housing Assistance
4 Program for the Disposition of HUD-Owned Projects administered by
5 the United States Department of Housing and Urban Development as
6 specified by 24 C.F.R. Part 886, Subpart C;

7 (g) Sections 514, 515, and 516,
8 Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486); or

9 (h) Section 42, Internal Revenue Code
10 of 1986 (26 U.S.C. Section 42); and

11 (ii) is subject to the following
12 conditions:

13 (a) the stipulation to maintain
14 affordability in the contract granting the subsidy is nearing
15 expiration; or

16 (b) the HUD-insured or HUD-held
17 [~~federally insured~~] mortgage on the development is eligible for
18 prepayment or is nearing the end of its term; or

19 (B) a development that proposes to rehabilitate
20 or reconstruct housing units that:

21 (i) are owned by a public housing authority
22 and receive assistance under Section 9, United States Housing Act
23 of 1937 (42 U.S.C. Section 1437g); or

24 (ii) received assistance under Section 9,
25 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

26 (a) are proposed to be disposed of or
27 demolished by a public housing authority; or

1 (b) have been disposed of or
2 demolished by a public housing authority in the two-year period
3 preceding the application for housing tax credits.

4 SECTION 2. The change in law made by this Act applies only
5 to an application for low income housing tax credits that is
6 submitted on or after the effective date of this Act. An
7 application for low income housing tax credits that is submitted
8 before the effective date of this Act is governed by the law in
9 effect when the application was submitted, and the former law is
10 continued in effect for that purpose.

11 SECTION 3. This Act takes effect September 1, 2015.